

November 10, 2010

ITEM NO. B11

**AUTHORIZATION TO EXERCISE THE THREE-YEAR OPTION TO RENEW THE
INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CHICAGO FOR FLEET
SERVICES**

To the Honorable Board of Commissioners:

It is recommended that the Board of Commissioners (“Board”) authorize the Chief Executive Officer or his designee to exercise the second three-year option to renew the Intergovernmental Agreement (“IGA”) with the City of Chicago acting through its Department of Fleet Management (“Fleet”) for the period January 1, 2011 to December 31, 2013 in an amount not-to-exceed \$190,212.00 for fueling and car washes.

Funding: General Funds

Contract No.	5136
Contract Type:	Intergovernmental Agreement
Contractor:	City of Chicago - Department of Fleet Management
Original Contract Term:	January 1, 2005 through December 31, 2007
1st Option Term:	January 1, 2008 through December 31, 2010
2nd Option Term	January 1, 2011 through December 31, 2013
Remaining Options:	None
Original Contract Amount:	\$270,000.00
1st Option Amount:	\$190,212.00
2nd Option Amount:	\$190,212.00
New Aggregate Contract Total:	\$650,424.00

EXPLANATION

Pursuant to the Board’s Resolution approved January 18, 2005, the CHA entered into an IGA with Fleet for a three-year initial term, with two (2) three-year renewal options. Under the terms of the IGA, The City of Chicago Fleet Services provides fuel and car washes, road and towing services for all forty (40) CHA owned vehicles at Fleet’s rates.. In July 2009, the Board authorized the CHA to exercise the IGA’s first 3-year option.

During the term of the IGA, the CHA has closely monitored the prevailing fuel prices in the private market and has found that the prices extended to the CHA by Fleet remain considerably lower than those in the private market. The price of car washes through Fleet’s vendors has remained constant and remained less than other local car washes, although an annual increase due to the increasing cost of energy is anticipated from both Fleet’s vendors and the private market. Fleet’s increased price will, however, continue to be lower than if the CHA procured this service from the private market.

The original IGA permits the CHA to utilize Fleet’s tow and repair services. However, because the prices charged by the Fleet for towing and repairs have been determined to be higher than those of private vendors, they have been used infrequently and only on an emergency basis.

Based upon the foregoing, it is in the best interest of the CHA to exercise the second three-year option to renew the Intergovernmental Agreement with Fleet for the period of January 1, 2011 through December 31, 2013 for an amount not-to-exceed \$190,212.00 for fuel, car washes and emergency towing and repairs.

RESOLUTION 2010-CHA-152

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated November 10, 2010, entitled "Authorization to Exercise the Second Three-Year Option to Renew the Intergovernmental Agreement with the City of Chicago Acting Through its Department of Fleet Management for Fueling and Car Washes for CHA owned vehicles."

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to exercise the second three-year option to renew the Intergovernmental Agreement with the City of Chicago acting through its Department of Fleet Management for fueling, car washes and emergency towing and repairs for CHA vehicles for the period of January 1, 2011 through December 31, 2013 for an amount not-to-exceed \$190,212.00.

